Exhibit 11

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Corporation:	Nokian Renkaat Oyj
Title:	Financial Statement Release 2020
Speakers:	Jukka Moisio, President & CEO Teemu Kangas-Kärki, CFO
Date:	09.02.2021.
Duration:	01:00:08

PRESENTATION

Operator

Hello and welcome to the Nokian Renkaat Q4 2020 Interim Report. Throughout the call, all participants will be in listen-only mode and afterwards there will be a question and answer session. Today, I'm pleased to present Päivi Antola. Please go ahead with your meeting.

Päivi Antola

Thank you. Good afternoon from Helsinki and welcome to Nokian Tyres' Q4 and Full Year 2020 results conference call. My Name is Päivi Antola. I'm the Head of Investor Relations in Nokian Tyres and together with me in the call I have Jukka Moisio, the President and CEO, and Teemu Kangas-Kärki, the CFO of Nokian Tyres.

In this call, we will go through Q4 and full year results, followed by a Q&A. But before going to the results more in detail, Jukka: 2020. It was an interesting year. How would you summarise it?

Jukka Moisio

Thank you, Päivi, and good afternoon on my behalf as well and welcome. Yes, indeed. I think that interesting is maybe one way to characterise or eventful or unprecedented as we say now in our presentation. Nevertheless, obviously towards the end of the year things started to become clearer and also actions and policies, et cetera, by the governments, they are not so much on the quick reaction mode, but more consistent than what to do with the COVID and how to get out of the COVID situation with vaccinations and lockdowns – selected lockdowns and so on.

And I have to say that of course during this demanding year when we first reacted to COVID, I believe that we said that we will focus on costs. We will make sure that we maximise cash flow and also that we will not increase our inventory and we will make sure that the company will be in a good shape by the end of the year. I think that in many ways that was achieved; our team did well. We paid attention to safety, operated all factories quite well.

Also, in terms of LPIF, accident frequency; we reduced that quite significantly, achieved a good cash position, made sure that the costs were under control and so on. This in many ways shows the resilience of our team and the company and I'm very, very pleased and proud that we

achieved all those targets that we set out in the early part when the virus hit us and hit the economies throughout the world.

We ended the year with a strong balance; that's quite important in terms of net debt, in terms of inventories, et cetera. So, we did achieve all those targets we set out to do and also meanwhile we advanced many actions to build a company for ‘21 and beyond on this Dayton ramp-up. So, we hired the second shift and started to ramp up the production. Also, now we announced in early part of this year we announced the third and fourth shift so that ramp-up in Dayton continues consistently.

Also, in Nokian, we agreed direction and took actions accordingly, and also launched a number of new products during the course of 2020, but also in the beginning of ‘21 and I’ll come later to our flagship product, Nokian Hakkapeliitta 10, which was announced in early January. And we gave a peek information already in December about the product. So, very pleased.

Ended well, eventful year. Interesting year. I think our team did well, so I'm quite proud – very proud.

Päivi Antola

So, many good achievements despite the circumstances. Thank you, Jukka. And let’s now move onto to the actual official presentation and start with Q4 results. Jukka, please.

Jukka Moisio

Thank you, Päivi. So now onto the presentation on page two, Q4, and we had impact from COVID and delays in our volumes since the net sales for 413 million versus 475 million in 2019. In comparable currencies, there's a decline of 7.1%. Most of that decline is actually in passenger car tyres in terms of top line, heavy tyres and [? 00:04:53] performed reasonably well.

Operating profit at 80 million versus 107 million in 2019 final quarter. Again, the impact is coming from passenger car tyre sales. And Teemu will talk about the profitability of the businesses. You will see that nevertheless the operating profit margin and passenger car tyres despite lower sales was at the last year level. [? 00:05:21] came from lower raw materials unit costs.

I move now to page three, reflecting the full year, then reiterate that our team did a very good performance in terms of resilience, safety, delivery of the agreed targets, while continuing to achieve and build programmes for the future, especially completing and improving the investments that are in the pipeline when we started the year.

Net sales were at 1.13 [ph 00:05:55] billion versus 1.58 billion in 2019; 13% decline in comparable currencies. Most of that decline was in comparable currencies in the early part of the year. We had a relatively strong Q3 and then a slightly weaker Q4. These volumes were impacted of course as mentioned by COVID. Also measures taken in Russia to reduce the sell-in in order to reduce the distributor and all inventories. And also, mild winter of 2019/2020.

Segments operating profit full year level at 190 million; 337 billion in 2019. Again, the same culprit – COVID. Also [? 00:06:46] in Russia and then because of low demand and load factory utilisation, most of the factory – load factory utilisation took place in the second quarter.

[? 00:06:58] materials and cost cutting measures, which then reaction – cost cutting was a reaction to COVID as well as also we had a similar reaction to maximise the cash flow. The board proposes a dividend of 120 per share to be paid in two instalments during the course of 2021.

I'll move to page four and I want to call out a couple of items, which I haven't really discussed yet. One is the cash flow. So, in the fourth quarter, the cash flow from operating activities was 429 million versus 398 million in 2019 and on a full year level we had a 422 million versus 220 million in full year.

You see one important topic is the capital expenditure. So, we spent 32 million in the final quarter versus 65 million a year ago and in the full year our capital expenditure was slightly below – 150 million versus 290 million in 2019. Balance sheet is in a strong situation. So, equity ratio 65% and net debt is minus 17 million, which means that we are slightly cash positive at the end of the year compared to having a net debt of 41 million a year ago.

So, despite low profitability, despite headwinds, et cetera, we ended up the year with a debt free balance sheet, which shows the strength of the cash generation.

And I hand over to Teemu to talk about the passenger car tyres. So, Teemu, please go ahead.

Teemu Kangas-Kärki

Thank you, Jukka. Starting with the passenger car tyres and looking at our net sales development. In the fourth quarter our net sales decline on comparable currencies: 9.8% on a full year basis. The decline was on a level of 18%. Looking at our segment operating quarter. Fourth quarter on a level of 66 million euros and our profitability was almost on the same level than in comparison period.

One reason for that, despite the lower volume, was the fact that we were running our two factories in Russia and in Finland on a higher load compared to Q4 2019. Then in terms of average sales prices, which declined on a comparable currencies, while the product mix improved, we should remember that our customer base is most likely less fragmented than our peers. So, one reason to drive this development of the customer and country mix.

If we then move to the next slide, where we can see the quarterly changes for net sales. As I said, the Q4 price mix was driven by customer and country mix. This negative development and then what clearly stands out here is the currency development which has been going to the wrong direction in terms of sales and profit. And the main driver is naturally the weaker rouble, which started to deteriorate in the third quarter and then continued in the fourth quarter.

Then moving to the next slide where we can see the full year bridge and if I focus on the segment operating profit, there we can see the volume impact and tailwind from materials and lower factory load into factories on a full year basis. And maybe one of the key topics from this slide is the currency impact. So, you can see that in the passenger car tyres we had a headwind mainly

from weaker rouble; about 26 million for the full year, and if you look on a quarterly basis, you can see that in our earlier slides, I mean the appendix, that we had a headwind, about 10 million, in the third quarter, and an additional 10 million in the fourth quarter.

If we look how the rouble has developed in the past years. You can see that in 2019 the rouble was on a level of 72 against euro, and then in 2020 on a level of 82, and in January this year, it is on a level of 90, or we're on a level 90. And if we would take a look to the future. So, I would say that's a good proxy, if the rouble stays on this level, that we could get 10 million headwind in the first quarter and in the second quarter, depending on the volume and the currency. So, if you would take a page here from 2019 and then taking the second half from last year, and then anticipating the first part of this year, you could anticipate a significant decline or impact from the currencies.

Then moving to the heavy tyres. In the fourth quarter, the net sales on a comparable basis grew 0.9% on a full year basis. The net sales decline: 1.8%. Looking to the segment operating for the fourth quarter was on a level of 5 million – decline from Q4 19, which was on a level of 10 million. And factors impacting this decline in segment operating profit was the planned production shutdown in our Nokian factory in Finland and then maintenance work related to the investment and shutdown that we took already into fourth quarter in order to be in a good position this year.

And moving then to Vianor business unit. So, the top line was declining on a comparable currency: 2.4% segment operating profit on a level of 10 million. And just as a reminder, 2019 Q4 we had 2 million profit from sale of real estate, so the decline was smaller on a comparable basis.

Some highlights in sustainability that we are proud of. We are the first in the tyre industry to have the science-based targets to reduce CO2 emissions that were approved last year. Safety is our priority. And our lost time injuries frequency has been declining and last year we were on a level of 3.7. We are continuously fighting against the climate change and [? 00:16:17] resistance of our tyres have been going down from 2013 level about 8.5%. And we continue to innovate in order to make progress in this front. And we are also happy to be part of the sustainability indexes. And this is the testimony of our good work that we have been doing and continue to do in the future as well.

Going back to you, Jukka.

Jukka Moisio

Thank you, Teemu. Then moving on to page 11 and '21 we focus on growth and cash flow. Moving onto page 12 and immediate priorities. So, we are, and have been, launching a number of new products and we expect them to generate excitement and in volumes in addition to our existing product offerings and we will then keep on improving our go-to-market activities to ensure that indeed we are close to our customers and consumers in introducing the new products.

Important to look at the cash flow. We will protect that by prioritising investments. We expect that the capital expenditure in 2021 will be below what we reported in 2020. So, below 150 million. Also, when we look at the market, we expect that the recovery is likely to happen, so from 2019 to 2020, roughly those markets went down in terms of volume PCs about 12%, and

we expect that when we look at the market studies and various sources that anywhere between 5 to 9% recovery expected in 2021, depending on the market.

So, that would suggest that two thirds of the decline that happened between '19 to '20 will be possibly recovered in 2021 and then potentially full recovery in '22. This is, of course, subject to many buts and ifs, but this is the best market outlook that is available out there right now.

[? 00:18:41] products that we are launching this year. So, we have a product for all season in North America. Nokian Encompass, which is exclusively available through Discount Tyre [ph 00:18:50]. So that is something we [? 00:18:56] distributor. Then we launched already Nokian Tyres 1, which was introduced in the early part of this year. We have launched the Nokian Nordman 8 and Nokia Norman SUV and also in the autumn of 2020, we launched Nokian Hakkapeliitta R3 [ph 00:19:18], which is then targeting to '21 summer season.

Most important launch is Nokian Hakkapeliitta 10, which is essentially the new next generation winter tyre. So that's been introduced a week ago to internal and external audience. Important to look at the various dimensions of that. So, we have more studs, with superior winter grip. We also have a comfort and reduced noise level. A good bearable on-road stability and silent ride technology which then allows also silence and noise cancelling features of the tyre, especially for the electric vehicles.

So, we have this Hakkapeliitta 10 to cars, SUVs, and electric vehicles and over 140 products. And it is expected to go into production this spring for the season of 2021 winter. Also, new products in heavy tyres. Nokian Tyres Intuitu, which is smart tractor tyres, gives on-time information to driver about temperature and air pressure. Also gives the same information to us via cloud. We have a Nokian [? 00:20:42], a number of new products there. Also, Nokian E-Truck, which is a tyre range for delivery trucks. And then we have the Kare Semi-Slick, which is the [? 00:20:55] and railroad operations.

So, a number of new products coming to the market and this is very important for us because we have a capability, and we are building the manufacturing in the US and also seek to fully [? 00:21:14] Russia and then build Nokian towards heavy tyres step by step, but also keeping the premium tyre, passenger car tyre, manufacturing in Nokian.

Then we can look at the outlook for 2021 here on page 16. I have some key assumptions. Or we have some key assumptions. One is that the demands that for replacement car tyres is expected to increase driven by a strong demand and increase in new car sales. Demand for heavy tyres core products estimated to increase. We also recognise that uncertainties due to COVID pandemic remain, especially the introduction of vaccination and reduction of the local lockdowns and similar – how will that evolve.

But we have considered for COVID that help is on the way. When the help will help is something that we need to look market by market and quarter by quarter. Teemu talked about the Russian rouble and clearly the weakness of Russian rouble in January 2021 will have a headwind to our net sales and profitability, as mentioned by Teemu. We also expect that because of the recovery, the raw material unit costs are likely to increase and also, as we all have read in the newspapers, that indeed the logistics costs are quite fragile at this point in time, early part of the year. That

may stabilise throughout the year. But at this time at the cost of containers and cost the transportation likely to be on the high side.

However, the guidance for 2021 is that our net sales and comparable currencies and segments operating profit are expecting to grow significantly. And we expect that the global car and tyre demand is expected to pick up, but the COVID pandemic continues to cause uncertainties for the development, but this is formally our guidance and I end our prepared presentation here and I hand back to Päivi to lead the Q&A session, please.

Päivi Antola

Thank you, and thank you, Teemu. So, Operator now we would be ready for questions from the audience, please.

Q&A

Operator

Thank you. If you wish to ask an audio question, please press 01 on your telephone keypad. If you wish to withdraw your question, you may do so by pressing 02 to cancel. Once again if you wish to ask a question, please press 01 on your telephone keypad. There will be a brief pause while we wait for questions to be registered.

Our first question comes from Gabriel Adler from Citi. Please go ahead.

Gabriel Adler

Hi, thank you very much. It’s Gabriel from Citi. Can we start please with the outlook? Could you help us better understand how to interpret your expectations of significant growth in both revenue and operating profit? Can you offer any more specific colour maybe on a target for 2021? Because it's very difficult to interpret significant growth as a metric when we're coming up with such a low base in 2020. So, that’s my first question.

Jukka Moisio

So we expect a significant increase, and for us significant means double digit and we will specify the guide along the year. We are not giving a more detailed guidance at this point of time but as stated already a couple of times, want to highlight the effect of Russian rouble exchange rates to our top line and profit.

Gabriel Adler

Okay, understood. Two more questions, please. One on raw materials and one on all season tyres. So, on raw materials clearly big benefit this year likely or assumed to reverse next year. Can you talk a little bit about how much of this you think you can offset with price mix, given that your price mix has remained negative for several quarters now? And also, whether you put any price increases through perhaps already in January and February, like we've seen with other tyre manufacturers?

And then my last question on all season tyres is just that I guess a slightly broader question about how structural perhaps you think this shift is from [? 00:25:42] all season that we're seeing in the moment and how much of the volume decline can you attribute to the winter season being weak and how much of it is pointing towards a more structural shift from your customers towards all season tyres and away from winter? Thank you.

Teemu Kangas-Kärki

If I start with the raw materials guidance. So, in the fall we expect it, or we had an outlook that the raw materials would increase by 2% to 3%. Now, our view is that it's going to be on a level of 4% to 5%, but that is clearly dependent on the overall demand and current view for us is around 5% increase in raw materials for this year.

Jukka Moisio

Okay, and talking about the all seasons. So, all season is a category especially in Europe that grew in demand also in 2020, despite the fact that that was a 12% overall decline in overall tyre demand. We expect that the category actually gains both from winter and summer tyres and I believe that it becomes a category in between. So, that on the other hand some people – some will upgrade to all season and then some people from winter will also go down to all season and we expect that that will carve out the position between those two.

Which one will lose more? Of course, probably Continental [ph 00:27:19] Central European winter. It is something that may shift more towards all season. What we do see is that in the Nordics, where you have a clear winter season and so, you still rely on winter tyres; studded or non-studded, maybe a friction tyre and then you have a summer tyre. So, that evolution is mostly in the Continental Europe at this point of time.

Gabriel Adler

Okay, thank you very much. Could I just follow up please with – on raw materials and your points around assuming a 5% increase. Do you expect to offset any of that with price mix next year?

Teemu Kangas-Kärki

So, there is a clear pressure to increase prices.

Jukka Moisio

Typically, the industry has been quite disciplined in the winter, especially now when there's a demand recovery. We believe that there's good momentum to ensure that the raw material increases are also in the selling prices.

Gabriel Adler

Okay, thank you.

Operator

Our next question comes from Akshet Kakkar from JP Morgan. Please go ahead.

Akshet Kakkar

Thank you. Akshet from JP Morgan. Three from my side, please. The first one again on pricing. You are still seeing some pricing pressure on a low comp from last year. I'm keen to hear your thoughts on what are you seeing specifically in Russia and Europe going into the first few months. That's the first one.

The second one is the impact of the weak rouble on profitability. Can you just help us understand again how should we think about the growth [ph 00:29:09] tools on an EBIT level? Don't you have a natural offset between the translation impact from lower revenues but an offset from the transaction impact in terms of the cost structure, the majority of which is in Russia? That's the second one.

And the third one is an update on the ramp-up of Dayton. How many units do you plan to produce in 2021? And what are the US factory ramp-up costs that you expect for the year versus the 27 million that we had in 2020? Thank you.

Jukka Moisio

Okay. I'll start with the pricing in Russia and Europe in early part of this year. So, when we went into the year, we expected that raw material prices go up and so therefore our pricing is also done accordingly. Remember – it also may be important to remember in 2020 we did in Russia, especially commercial actions, to ensure that the inventories, distribution inventories and so on, would go down and therefore we supported the sell out with various commercial actions. We don't see a similar need for commercial actions in 2021, so therefore we expect that the pricing will be more attractive to us.

I'll take also the Dayton. So, we are ramping up Dayton. So, we actually hired the second shift in the latter part of 2020 and we are starting now the two shifts and we've announced that we will also hire the third and fourth shift by the summer and therefore ramp up the factory to continue operations. And the expectation is that it will produce more than a million tyres in 2021, and the run rate towards the end of the year will be about a million tyres per annum. And then we'll take it from there when we go to '22 what additional actions need – can be taken needs to be taken to further ramp up the factory.

Teemu Kangas-Kärki

And in terms of the Russian rouble impact, as you probably remember, since 2018 Capital Markets Day, I've been communicating the fact that we benefit from strong rouble and weak rouble on the other hand is a headwind for us. And now last year when there is the significant change in the Russian rouble in the third and fourth quarter, that became visible to all of us. And as said, it's a good proxy looking from last year that we had a 10-million-euro headwind mainly from Russian rouble in the third quarter and in the fourth quarter. And as said, in Q1 and Q2, if

rouble stays on this level, you can make a proxy of 10 million for the first two quarters of this year. So, this shows you [? 00:32:27] in my opinion.

Akshet Kakkar

Thank you. Just following up there. I think the question on pricing in Europe was still left and the second one on expected ramp-up cost for Dayton in 2021. Thank you.

Jukka Moisio

Yeah. Okay. So, Dayton, we expect will go to EBITDA positive clearly in 2021 with the anticipated shifts and ramp-up. And then European pricing the same story as in Russia that we don't see any pressure to reduce prices. We have a contrary situation that new products improvements in pricing.

Akshet Kakka

Understood. Thank you.

Operator

Our next question comes from Mathias Holberg from DNB. Please go ahead.

Mathias Holberg

Thank you. A question on your Russia guidance. Can you help us understand about how you – well, what metric you looked at to produce this [? 00:33:29]. Just reflecting that AEB earlier this year published forecasts saying they saw roughly 2% growth in Russia [? 00:33:38] in 2021, and then you are forecasting obviously a bit higher than this. I'm just curious to hear what you base this on.

Teemu Kangas-Kärki

You were asking the Russian [? 00:33:52] forecast or –

Mathias Holberg

Yes, correct.

Teemu Kangas-Kärki

So that is our own expectation in Russia, and as you remember from the earlier years, our own view has differed from the official estimates.

Mathias Holberg

And one more question, also on Dayton. I read in the report you said that the ramp-up was a bit slower in 2020 due to COVID-19, but I'm not certain if that refers to the later part of year or the earlier part. Can you just clarify if this is an issue you've had in the latter part of the year or an old issue?

Jukka Moisio

It's basically a delay in the early part of the year and we actually hired the second shift after the summer when the clarity of the situation and COVID became more predictable and then we decided that it's quite time to continue to ramp up. But the early part of the year was a time when we had a delay. Now, we don't have any delays at this moment or going into '21. Obviously, it takes time to hire the shifts.

Mathias Holberg

Great, thank you.

Operator

Our next question comes from Thomas Besson from Kepler Cheuvreux. Please go ahead.

Thomas Besson

Thank you very much. I have a few questions as well, please. First, I'd like to come back to the new products you're launching. So, the Hakkapeliitta 10 or the Nordman 8. Could you remind us how much it accounts for the overall volumes or revenues of the passenger tyre business? These combined studded winter tyre products that are going to be replaced over the next 12/18 months or just over the next six months.

And also, when you introduced that new generation, talk about the price points at which you launch it versus the Hakkapeliitta 9 or the Nordman 7, please.

Jukka Moisio

Okay. So, the first question is, what's the share of the winter products in our line-up. And all in all, the winter tyres are about 70% [ph 00:36:19] and obviously Nordman is a bigger category than Hakkapeliitta, but nevertheless, in combination they are about 70%.

Thomas Besson

Okay, and do you mind talking about the price point at which they are going to be introduced versus the previous generation, please?

Jukka Moisio

Yeah, the Hakkapeliitta 10 is going to be the new premium point and then Hakkapeliitta 9 and Nordmans are lined up below that price point.

Thomas Besson

Okay, so it's a fair comment – you can't say that these products are going to be more expensive than the previous generation or not?

Jukka Moisio

Hakkapeliitta 10 is going to be more expensive than Hakkapeliitta 9 as the predecessor, yes. But of course, it's a market by market, but now we talk about the Nordics, Russia and also North America.

Thomas Besson

Okay, thank you for that. I would like to come back to the guidance. I understand you don't necessarily want to specify it, but we have a consensus [ph 00:37:15] figure for 2021 of about 1.5 billion and a consensus figure somewhere around 265 million euros of adjusted EBIT. What I call adjusted EBIT is after the elements that are reclassified somehow. Is your guidance consistent with that? Or do you believe that analysts are too optimistic for 2021?

Jukka Moisio

We see no reason to comment it up or down. We are confident saying that having talked about all headwinds and tailwinds, we expect that we have a significant top line and profitability growth in 2021. But we promise that we will specify the guidance as the quarters continue, so that clearly understand that COVID is one element, when the lockdowns will be eased, and when the vaccination will help and so on. So, there are a number of uncertain elements, but nevertheless we are confident when we go into the year at this moment that we have a significant improvement in both the segment operating profit and top line.

Thomas Besson

Very clear. And I agree on the uncertainty. I make another try on the pricing question. You have the price set for the Nordics and for Russia. Have you planned to raise prices in March/April for the next summer season or is it something you do not comment before doing it?

Jukka Moisio

Basically, the basic idea behind new products is that they command a premium and we start from that angle and then we obviously look at the pricing of the competitive products and our novelty product and we go from there. But of course, the ambition is to ensure that the newest products are commanding a premium pricing. But then, of course, the first step every market, we make the launches, and we make the price list. Then we will talk with distributors and customers.

Thomas Besson

Okay, I have a last one, please. Is it fair to believe that you were very strongly pushing inventories down in your distribution channels in the Nordics and in Russia because you were going to introduce these new products. So, to make room and not to disturb the pricing initially of the new products or it's not related at all?

Jukka Moisio

I think that we set out in the early part of the year to ensure that we do not build any extra inventory [ph 00:40:05] and so on. So, we agreed that we would then reduce the inventories in

the distribution channels, but obviously these things go hand in hand that when we go into the next winter season, it's easier to code the winter season and the pipeline is relatively well managed and there is no excess products in the pipeline. And that at the end, it helped us to make sure that the distribution stocks and our own inventories are low at the end of the year. It also makes sense for our distributors, but it also helps and surely secures a better launch of new products. So, they all go hand in hand. But which one is chicken, and which one is egg? I think that this time the chicken was really the COVID that started the whole programme, but obviously we also recognise the benefits of helping our new product launches.

Thomas Besson

Okay, thank you very much.

Operator

Our next question comes from Artem Beletski from SEB. Please go ahead.

Artem Beletski

Yes. Hi, there. It's Artem from SEB. Thank you for taking my questions. So actually, I have three to be asked. So, maybe when it comes to demand then and the volume outlook. Appreciate your comment stating that maybe two-thirds of market declines in last year will be restored this year. How do you see your volumes in light of these comments, given the fact that you are indeed having quite a few new product introductions be impacted by winter and also made some inventory adjustment in Russia?

The second one is relating to late winter. So, I guess it had some negative impact in Q4. What is the situation now at the start of 2021, given that we had quite snowy winter conditions? And the third one is related to non-IFRS exclusions which have been indeed quite potential [ph 00:42:10] last year at 70 million euros. Could you provide us with some guidelines what is likely to be the level for this year?

Jukka Moisio

So, I'll take this market expectation. And so, clearly, we rely on market estimates and so on. That's what will be the likely recovery compared to the decline from 2019 to 2020 and expect something around two thirds will be recovered this year and then full a recovery expected, assuming that things go well, in 2022.

Some benefits may come from the fact that the [? 00:42:52] volume that of course the pipeline and now inventories are relatively low so maybe that will help which may then allow our volumes to be higher than the market growth. And then mark some market share gains with the new products. That's basically our volume expectation and based on that, we say that the top line is likely to grow significantly.

Teemu Kangas-Kärki

And as you point it out [ph 00:43:19], winter season in main markets had an impact in the fourth quarter. Now in January the winter has been good in other markets so it should have a positive

impact for the full year when inventories are cleared out. Then your third question relating to the non-IFRS exclusion related to Dayton. So, the proxy is about 20 million this year, as it was last year as well.

Jukka Moisio

Yeah, and other than [ph 00:44:00] IFRS exclusions that we had in 2020, we don't expect to have in 2021.

Artem Beletski

All right, very good. That is very helpful. Thank you.

Operator

Thank you. Our next question comes from Michael Jaxx from Bank of America. Please go ahead.

Michael Jaxx

Hi. Good afternoon. Thank you for taking my questions. I've only got one that hasn't been answered before this already. Just with regards to volume dropped through into EBIT, it seems as if the drop-through into EBIT on the passenger tyre side was something like around 51% to the downside for this year. Would it be fair to expect a similar rate of drop-through in 2021 as volumes recover, or are there other factors that we need to take into consideration when looking at this line item? Thanks.

Teemu Kangas-Kärki

I would reiterate my earlier comments during the call and then you can do then the math. So, the comments about 10 million in Q3 and Q4 and a proxy for first quarter and second quarter. So, that’s the level that I’m commenting at this point in time.

Michael Jaxx

Okay, thank you. Maybe just one more question, if I may. It's a bit of an evolution from one of the prior questions. Just in terms of the late winter, what sort of stock levels were the dealers holding towards the end of Q4? Are you expecting a significant catch-up in the dealer selling as well, or were they already holding stocks ahead of the winter? Thank you.

Teemu Kangas-Kärki

We think that the inventory and the pipeline situation is quite good across the whole pipeline. So, we would not expect that there's any inventory issues anywhere, as far as we can tell.

Michael Jaxx

Thank you very much.

Operator

Thank you. Our next question comes from Edward Donahue from 1 Investments. Please go ahead.

Edward Donahue

Afternoon, gentlemen. Just one for myself, if you don't mind. It's just looking at the new product launches you've got versus a historic level of new product launches, just to quantify that. And then just the pricing architecture that you will be hoping to achieve in ‘21 versus ’19, looking again at the new product mix and your comments around premiumization. Would you expect to actually be able to back [? 00:46:35] similar on price index of 19 for ‘21.

Jukka Moisio

New product launches. I think I'll take that one. We looked at the pipeline and we have calculated the number of new products and new product launches and modifications. At this point in time, our assessment is that we are all time high so in terms of a company, how many new products we launch. And this is of course the development of many years of programmes. So, this is not something that happened just the past year, but is a consistent evolution, and indeed many of the products are targeted towards Continental Europe and North American markets, which are new markets for us and an area where we want to expand and grow in the years to come.

And so obviously these new products and new modifications are quite important. At the same time, it's normal that we revitalise our winter tyre offering continuously as technologies develop, studying technologies improve and also lots of the electric vehicles and similar are being introduced and it's important that we are up to date in that product offer. Then about the margin.

Teemu Kangas-Kärki

The pricing architecture as you pointed out, clearly, one of the main tasks for this year is to focus on the pricing and drive price increases in all areas where we see opportunities. As commented in our release product mix impacts both positive last year and what I've been also commenting that in our business, if we look at our customer portfolio, the market and customer mix have most likely a bigger impact than in our peers’. So, for you to draw direct conclusion about the pricing per se is difficult.

Then just to comment into the net ASP and the Russian impact. Because the Russian rouble has weakened significantly, from the level of 2019 and that will have an impact on our reported numbers, so we shouldn't forget that point.

Jukka Moisio

We had a significant decline in the Russian volume from 2019 to 2020 and again then before the 2021. So, obviously we expect as we said that significant recovery and that includes Russia as well.

Edward Donahue

Okay. And just a second question, actually. I apologise if you answered this earlier. My line broke up. But just on the Russian volume recovery. I mean it's like 10/15%. What are the underlying assumptions behind that?

Jukka Moisio

In our selling, obviously we reduced artificially our selling in 2020 in order to clear out inventories and the distribution channel. Part of that is just going back to normal volumes in Russia.

Edward Donahue

Okay, all right that's great. Thank you very much indeed.

Operator

Our next question comes from Panu Laitinmäki from Danske Bank. Please go ahead.

Panu Laitinmäki

Yes, thank you. I have a couple of questions. First one is actually on this Russian market selling guidance. So, you expect 10 to 15% market growth but if the assumption that your own revenues will grow more than that?

Jukka Moisio

We expect all revenues to develop at market or higher, yes.

Panu Laitinmäki

Okay, thank you. Then secondly, on the North American revenues, the decline in local currencies was the biggest in that region of your regions. So why was that – was there something specific in North America in Q4?

Teemu Kangas-Kärki

It is in line with our comments from Q3 where we also said that there are some shifts between the quarters and that applies also to the fourth quarter.

Panu Laitinmäki

Okay, thank you. My final question is on the Dayton factory. I think you have earlier commented that the factories would be at EBIT breakeven as a run rate at the end of this year. Can you still give that comment?

Jukka Moisio

I think that basically when we go to third and fourth shift, that we go first to positive EBITDA and then we target positive EBIT, and if we achieve that run rate by the end of the year. It's possible. We will see how it happens, but of course introducing a third and fourth shift, and if they are fully

up and running and we have a volume which is competitive towards the end of the year. So, higher than a million tyres per year annualised, then it is totally possible to get to that number. We will keep everybody updated.

Panu Laitinmäki

Can I just ask follow up? I think you earlier management that you would need like 2 million or even more volume to reach breakeven and now you talk about 1 million. So, has the calculation changed?

Jukka Moisio

No, breakeven means – as we said that we do not – [? 00:52:40] at the EPS level this factory. That was [? 00:52:44] we talked about it. But then step by step then we operate that industrially. So, first positive EBITDA, then positive EBIT and then finally a neutral achievement at the EPS level. Step by step so you move down to P&L.

Panu Laitinmäki

All right, thank you.

Operator

Thank you. Our next question comes from Edwardo Spina from HSBC. Please go ahead.

Edwardo Spina

Thank you. I have two very quick questions. One on the CapEx. I just wanted to ask for the next couple of years – ‘21 and ‘22. The development is the DNA [ph 00:53:24] a good proxy for the level of investments? At the moment I think you're running 15% above DNA [ph 00:53:28]. Is that something that we should look for ‘21 for the whole year or should we think that that will increase? Can you guide a little bit about the future?

And the second question is on the tax rate. If you can comment on whether the current events are affecting the tax rates going forward, and if you can share [? 00:53:46] level. Thank you.

Jukka Moisio

So, the capital outlays we've given guidance that they are expected to be below in 2021 – below 2020 level and at about the DNA [ph 00:54:01] level or thereabouts. Going into ’22, we come to a point that if the Dayton ramp-up continues well, then we are in a situation that we have the opportunity to consider the next stage expansion, which may then trigger capital outlays in ’22 or ’23. But beyond that the major investments are behind us and so therefore, we can enjoy couple of years with relatively competitive capital expenditure level.

And the thing that may happen is that if we accelerate then the Dayton to the next level, but that is dependent on our run rate this year and late this year and during the course of ‘22 as well as on the revenue plan. And tax rate then.

Teemu Kangas-Kärki

Yeah, just reiterating what I've been commenting earlier, so on a level of 19/20%; that's a good proxy.

Edwardo Spina

Thank you.

Operator

Thank you. Just as a quick reminder, if you wish to ask an audio question, please do so by pressing 01 on your telephone keypad. Once again, please do so by pressing 01 on your telephone keypad if you wish to ask an audio question.

Our next question comes from Pasi Väisänen from Nordea. Please go ahead.

Pasi Väisänen

Thanks. This is Pasi from Nordea. Coming back to this Dayton [ph 00:55:28] issue. I mean to be honest I mean the ramp up into North America unit looks more or less quite slow. So, is there any other problems in the underlying demand other than COVID-19? Or are there some problems related to contracts with distributors in the area? And when you are going to reach this 4 million target on [? 00:55:53] capacity in the new unit.

And maybe lastly, could you please say something about average sales price into Dayton unit into area? Thanks.

Jukka Moisio

Thank you. Yes, we think that yes, it was slow in 2020 and indeed in the early part of the year, as discussed, it was slow and we are clearly speeding it up right now. So, think about our hiring a second shift in the latter part of 2020 and then already now going for the third and fourth shift as well as then seeing that possibly we can discuss about the expansion to 4 million prior to [? 00:56:41] investment in 2022, and then they would be up and running sometime in '23 during the course of the year and then achieving that capability by the end of '23 or early '24.

Yeah, it depends. If you think that that is slow, we should speed it up and we see what we can do, but clearly right now I think that this is a very measured way of ramping it up because new factory requires, of course, skilled people to run and we believe that quality is quite important. And we have no issues in terms of suppliers or anything at the factory. It's more to do it in a measured way.

Clearly what does not help is that we cannot get trainers for example from Russia or Nokian to help people in Dayton so clearly there are somethings that we need to do via our teams and so on but we think that under the circumstances we are progressing quite well.

ASP in North America.

Teemu Kangas-Kärki

Okay, if we compare the net ASP development against original plans, they are broadly in line with the plans, so no major changes there. And then you're asking about the demand picture. So, that's not reason for the ramp-up.

Pasi Väisänen

Okay, great thanks.

Operator

Thank you.

Päivi Antola

And now, Operator, we would still have time for one additional question and then I'm afraid we're running out of time.

Operator

So, our next question comes from Edward Donahue from 1 Investments. Please go ahead.

Edward Donahue

Ladies and gentlemen, thank you. Just going through your appendix on slide 23 on your cost development and raw mats. What is the phasing of raw mat pricing inputs versus your repricing yourselves? Just what is – and I apologise my knowledge of your company is very limited. And to give me an idea of how that phases through.

Teemu Kangas-Kärki

So, we are setting our prices more or less according to the sales [ph 00:59:08] so now we have for example in Russia set the prices for winter season and it varies by the market. And then in terms of our raw material prices, there we have a lag of three to six months, more or less.

Jukka Moisio

In heavy tyres we have a certain large OE [ph 00:59:29] customers. We have escalation, de-escalation mechanisms so that our prices react to the lag [ph 00:59:37] of raw material up or down which typical when you have a long-term contract.

Edward Donahue

Right, okay. Very helpful, thank you.

Operator

Thank you. I will now hand it back to the speakers for any other concluding remarks.

Päivi Antola

Thank you. Now, at this point I would like to thank the audience and also Jukka and Teemu here with me in the call. Thank you for the questions. This ends today's conference call. Thank you for participating and have a good day.